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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

THIRD COUNTRY PROGRAMME FOR SAINT LUCIA

Programme period	Resources	$
1992-1996	Net IPF	1 300 000
	Estimated cost-sharing	700 000
	Total	2 000 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Since 1982, sound economic policies have guided Saint Lucia's development and gross domestic product (GDP) growth on the basis of expansion in agriculture, manufacturing exports and tourism. For the foreseeable future, economic growth is projected to continue at around 4 per cent per annum. The island's trade performance is heavily dependent on capital inflows and on world market and climatic conditions which determine banana output, the country's principal export crop.

2. Management of public finances has recently improved and government savings have been rising. There has been restraint in the growth of public sector wages and effective control of outlays on the purchase of goods and services. However, external debt has expanded from $55 million in 1985 to $70 million in 1990, on account of public sector financing requirements. The debt service ratio currently stands at 4 per cent of GDP and is projected to rise to 9 per cent of GDP by 1993. Continuing strict expenditure controls should ensure a manageable public debt and strong fiscal performances through 1995.

3. Saint Lucia ranked 68 out of 160 countries on the 1991 Human Development Index. Per capita income in 1989 rose to $1,714, and the country's delivery of social services provides for the basic needs of the majority of the population. While there are labour shortages in construction and agriculture, unemployment rates in some lesser developed sectors are approaching 30 per cent. The population segments most severely affected are women and youth.

4. Agriculture and tourism are the two main pillars of the economy. The Government has undertaken an agricultural diversification strategy to increase production of traditional products like cocoa, ginger and coconuts, and non-traditional crops such as hot peppers, sweet potatoes and cashew nuts. Tourism's performance in 1990 was mixed with visitor arrivals rising by 6 per cent while hotel occupancy rates dropped by 3 per cent.

B. National development objectives and strategies

5. The development strategy through 1995 concentrates on economic diversification through improved infrastructural development to support tourism, manufacturing and agriculture. Expansion in tourism is heavily reliant on upgrading the existing transportation, power supply, water and sewerage infrastructure. Increases in labour productivity are required to maintain and improve export competitiveness, while modernization of agriculture and increases in productivity of workers are goals which must be met in order for Saint Lucia to successfully meet the challenges of increased international competitiveness.

6. The processes of public sector institutional and administrative reform begun in the 1980s will be intensified and effective human resource planning which will increase, diversify, and retrain skilled workers are critical elements of the country's development strategy. In addition, the introduction of population planning strategies and the implementation of gender-sensitive approaches are necessary preconditions for continued human development.

II. EXTERNAL COOPERATION

A. Role of external cooperation

7. As with most of the island States of the Eastern Caribbean, external assistance to support technical and capital programmes is essential. Ongoing technical assistance funding to the value of $2.3 million is currently being utilized, with nearly half of these resources directed at planning and administration in agriculture, tourism, education, population, health and nutrition. For the United Nations Development Programme (UNDP's) part, technical assistance during the course of the second country programme has focused on agriculture and capacity-building of the public sector.

8. The Government's Public Sector Investment Programme (PSIP) is costed at $73 million for the 1992-1996 period with 72 per cent targeted for the transportation, power and water sectors, 16 per cent to agriculture, manpower and tourism, and 8 per cent to health, housing and education. The direction of external donor support reflects the Government's infrastructure development priorities. The British Development Division (BDD), the Caribbean Development Bank (CDB), the Canadian International Development Agency (CIDA) and France have earmarked resources to support projects in road infrastructure and maintenance, water supplies, an international airport and a marina.

9. France and the European Community (EC) have supported agriculture diversification. Future support for the health sector is likely to come from the United States Agency for International Aid (USAID), which is also interested in continuing support for its environmental and coastal resources project. This will be complemented by CIDA's major forestry conservation and management project. The Organization of American States (OAS) will continue to support basic education and teacher training, as well as small business development and tourism. Environmental management has been strengthened at the subregional level through support from the German Government to the Natural Resources Management Unit of the Organization of Eastern Caribbean States (OECS), as well as the development of the island's environmental profile developed by the Caribbean Conservation Association (CCA) with funding provided by USAID.

B. Aid coordination arrangements

10. The Ministry of Planning, and its Economic Planning Section, provide coordination of all technical assistance. In addition, UNDP and the United Nations agencies such as the Food and Agriculture Organization of the United

Nations (FAO), the Pan-American Health Organization (PAHO), the United Nations Industrial Development Organization (UNIDO), the United Nations Children's Fund (UNICEF), the United Nations Centre for Human Settlements (UNCHS), and the World Food Programme (WFP), through regular and periodic consultations, will continue cooperation between their various programmes in support of the Government's development objectives.

11. The Caribbean Group for Cooperation in Economic Development (CGCED), in which Saint Lucia participates, provides a biannual forum for consultation between OECS governments and donor agencies. UNDP, with the support of the Saint Lucia Government, has also initiated quarterly consultations on sectoral, thematic and project implementation and resource issues between donors and United Nations agencies operating in the Eastern Caribbean.

12. UNDP has been requested to continue its coordinating role in disaster prevention and mitigation and will work closely with the Caribbean Disaster Emergency Response Agency (CDERA) to ensure effective coordination of national and international responses in the event of natural disasters and in the implementation of an emergency information system network.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

13. The second country programme focused on the twin objectives of agricultural development and diversification, and institutional strengthening of the public sector. Over the course of the cycle, more emphasis was placed on the second objective, which utilized nearly half of the total resources. Agricultural development and diversification efforts received 35 per cent, with the remainder going to projects supporting physical infrastructural development.

14. The design of the technical assistance programmes and projects did not adequately take account of national resource allocation and, as a result, technical cooperation objectives were too broadly defined. Significant progress was, however, made towards diversification of agriculture in a climate of uncertainty for the future of the banana industry in the post-1992 period.

15. UNDP cooperation proved important in testing the feasibility of cultivating tropical nuts. With technical support from Brazil, the utilization of marginal lands made an important contribution to the Government's diversification programme. With UNDP assistance, a national physical development plan was developed through the use of United Nations Volunteers (UNV).

16. UNDP cooperation for the institutional strengthening of the public sector which received about 40 per cent of the Indicative Planning Figure (IPF) showed important successes. A multi-sector project aimed at rationalizing

public sector functions resulted in the design and introduction of a human resources management information system which has improved the management of the personnel department and contributed to the building up of national capacities. Women in development issues were examined within the framework of a gender-analysis workshop. The examination revealed a need for further and more detailed training and familiarization programmes at the more senior levels of the public and private sectors and better integration of gender issues in the development planning process.

B. Proposals for UNDP cooperation

1. Preparatory process

17. The third country programme for Saint Lucia was formulated following comprehensive discussions with the Government on the basis of the UNDP advisory note, which in turn drew upon the experience and lessons learned from implementation of the second country programme. Although no joint United Nations system missions were carried out, all agencies were consulted in order to obtain their views on the directions of the new programme.

2. Strategy for UNDP cooperation

18. The strategy to be adopted for the third country programme proposes greater use of UNDP's comparative advantages by focusing assistance on areas in which the organization's neutrality and ability to access a worldwide pool of expertise can be of maximum benefit. The design of the programme will concentrate on a limited number of thematic areas and require the definition of strategic-level goals and objectives. This will result in the identification of national resources together with external funding commitments. In this respect, cost-sharing and co-financing opportunities will be sought in order to facilitate project implementation and to rationalize the counterpart arrangements. Additionally, programme and project formulation will provide qualitative, as well as quantitative success criteria, which will permit more effective monitoring and permit later determination of the impact of technical cooperation.

3. Areas of concentration selected for UNDP cooperation

19. Environment and natural resource management (41 per cent of IPF). Increased physical development and protection of the natural resources are conflicting objectives in a small island with an expanding tourism sector. The Government has undertaken several efforts to tighten development controls and develop innovative and participatory ways of management of the environment and the natural-resource base while encouraging expansion initiatives. These efforts will be supported by UNDP in building national physical planning capacities, rationalizing and updating current planning legislation and reviewing environmental regulations.

20. Physical planning is an integral part of the Government's environmental management programme and an ongoing UNDP-funded project for support to the Physical Planning Unit will be continued. UNDP support will be directed at operationalization of a spatial development strategy and building institutional capacity by upgrading skills of physical planners.

21. Responsibility for the environment rests with the Ministry of Health, while implementation of environmental management activities are under the aegis of the Ministry of Planning. The environmental programme supported by UNDP will review institutional capacities, legislative and regulatory responsibilities, including impact assessments, and recommend ways of resolving conflicts and duplication. These efforts will set the stage for clarification of functions and strengthen Saint Lucia's capacity for environmental management.

22. Management development (23 per cent of IPF). The Government's programme will, in the first instance, be supported by UNDP through an evaluation of the multisector public sector management development projects under the previous country programme. Internal capacities for policy analysis are weak, and human resource planning is reactive rather than proactive. Technical cooperation will focus on development of manpower and career-planning classification systems which ensure equity, appraisal and the establishment of performance standards and reward systems. UNDP cooperation in this area will, therefore, focus on building national capacity for human resources planning to strengthen the Establishment and Manpower Planning Division of the Ministry of Planning.

23. Gender, population and development (18 per cent of IPF). The Government has endorsed a national policy on women which outlines the strategy and commitments to improve access of women to the social and economic benefits of development. An interministerial committee has been formed to implement this policy and technical assistance will be directed to institutional strengthening and the research and gathering of gender-specific data which will assist the refinement of strategies and establish a basis for making decisions.

24. The Government plans to incorporate population concerns and issues as a critical part of the development planning process and has established a National Population Unit within the Ministry of Planning. Building on the efforts of a United Nations Population Fund (UNFPA)-supported project to facilitate establishment of the Unit, UNDP will help to further develop a programme which will provide for training in demographic analysis and population issues, in order to ensure that national capacities are enhanced.

25. Complementary assistance in order to support the programme areas selected for UNDP concentration is already in place in several bi- and multilateral programmes. Insofar as environmental management is concerned, the environmental profile of Saint Lucia, developed by the Caribbean Conservation Association (CCA) with USAID funding, will be an important base document in the development of the national strategy. This work also complements the work

of USAID, the CDB and the OAS which all have environment-oriented projects in place. At the subregional level, CIDA has expressed interest in supporting similar initiatives and USAID's environment and coastal resources project will contribute to the proposed programme, as will a major environmental management project which is foreseen under the intercountry programme for Latin America and the Caribbean.

26. Saint Lucia's management development programme will be based on earlier studies carried out under the previous country programme by the Caribbean Centre for Development Administration (CARICAD) and support provided by the CDB and CIDA, while familiarization of the national authorities with gender-sensitive considerations and appropriate situation analyses will be supported by the United Nations International Development Fund for Women (UNIFEM) and UNDP.

C. Cooperation outside selected areas of concentration

27. Several initiatives, started under the previous country programme, will be continued under the new one. The first is the establishment of a small enterprise development unit to promote entrepreneurship among women and youth, upgrade skills in administration and financial management, and secure credit for microenterprises. The second is the continuation of the technical cooperation among development countries (TCDC) project with Brazil in tropical nut cultivation, and the third will provide for equipment and training in frequency management to support telecommunications development. The Government has also requested UNDP assistance for the Tourist Board to provide statistical, marketing, and planning support. These activities, in total, will utilize approximately 10 per cent of the IPF resources, leaving 8 per cent of IPF resources for other activities.

28. A total of 36 cases of acquired immune deficiency syndrome (AIDS) have been reported for the period 1986-1991. The Government has begun efforts to increase public awareness among the general population and youths, in particular. A national AIDS committee has been established. UNDP support for the committee's efforts will be required in the new country programme.

D. Implementation and management arrangements

29. Given the similarity of many development problems in the Eastern Caribbean, a collective approach, where appropriate, will be undertaken for the implementation of programmes and projects. These approaches will also utilize the technical capacity of various regional institutions and will, in themselves assist in the building up of regional capacities. By definition, the Government of Saint Lucia will direct, manage and coordinate all technical cooperation activities and the target of national implementation will be increased over the 58 per cent goal established in the fourth cycle. Technical back-stopping will continue to be provided by the agencies of the United Nations system to facilitate programme and project formulation and implementation.

30. A careful assessment of national capacities and budgetary resources, plus greater attention to project design and programme coherence, should enable greater impact of the new country programme. Quantifiable indicators of success in actually building national capacities are to be included in the specific projects to be formulated under the new programme.

31. The programme is to be reviewed through the mechanism of the quarterly consultations between the Government, the OECS and UNDP. These consultations additionally monitor the continuing adequacy of the complementarity between the country programme, the multi-island programme and the Caribbean regional programme.

32. A formal mid-term review will be held in 1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	140	
Fifth cycle IPF	1 160	
Subtotal IPF		1 300
Project cost-sharing (Government)	300	
Project cost-sharing (third-party)	400	
Programme cost-sharing	-	
Subtotal cost-sharing		700
TOTAL		2 000

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars			Percentage of total resources
	IPF	Cost-sharing	Total	
Environment	520	300	820	41
Management development	260	200	460	23
Gender/population	260	100	360	18
Other	260	100	360	18
Subtotal	1 300	700	2 000	100
Unprogrammed reserve	-	-	-	-
TOTAL	1 300	700	2 000	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

		Thousands of dollars
A.	UNDP-administered funds	
	SPR	-
	UNCDF	-
	UNSO	-
	UNIFEM	300
	UNRFNRE	-
	UNFSTD	-
	Subtotal	300
B.	Other United Nations resources	
	JCGP participating agencies	
	UNFPA	-
	UNICEF	-
	WFP	-
	IFAD	-
	Other United Nations agencies (non-UNDP financed)	-
	Global Environment Facility	-
	Subtotal	-
	Total non-core and other United Nations resources	-
C.	Non-United Nations resources a/	-
	TOTAL	300

a/ Funds originating from the implementation of management services agreements.

Annex II

PROGRAMME MATRIX

	Area of focus a/					
	Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Environmental protection and natural resource management						
- Physical planning	*	*		*	*	
- GIS		*			*	
- EIA		*	*		*	
II. Management development						
- Human resource planning			*			*
III. Gender/population/ development					-	
- Population policy	*		*			*
- Gender advances	*		*			*

a/ Asterisks indicate major linkage only.